First Quantum Minerals Ltd.

Consolidated Financial Statements
Third Quarter – September 30, 2011
(unaudited)
(In U.S. dollars, tabular amounts in millions, except where indicated)

First Quantum Minerals Ltd.
Consolidated Statements of Earnings (Loss)
(unaudited)

(expressed in millions of U.S. dollars)

		Three months ended September 30		Nine months ended September 30	
	Note	2011	2010	2011	2010
Sales revenues	10	651.0	594.4	2,016.2	1,685.4
Cost of sales	11	(328.4)	(307.2)	(890.9)	(851.6)
Gross profit		322.6	287.2	1,125.3	833.8
Exploration		(18.5)	(12.5)	(53.3)	(31.8)
General and administrative		(24.8)	(13.3)	(58.0)	(26.2)
Acquisition transaction costs		-	-	-	(18.5)
Bond inducement costs	9a	(48.4)	-	(48.4)	-
Impairment of assets		-	(303.7)	-	(610.3)
Other income	12	18.1	4.5	11.1	6.4
Operating profit (loss)		249.0	(37.8)	976.7	153.4
Finance income		0.5	1.0	4.0	5.0
Finance costs	13	(1.9)	(5.8)	(8.5)	(19.8)
Earnings (loss) before income taxes		247.6	(42.6)	972.2	138.6
Income taxes		(127.1)	(62.3)	(411.2)	(211.1)
Net earnings (loss) for the period		120.5	(104.9)	561.0	(72.5)
Net earnings (loss) for the period attributable to:					
Non-controlling interests		29.6	12.3	108.1	76.4
Shareholders of the Company		90.9	(117.2)	452.9	(148.9)
Earnings (loss) per common share					
Basic and diluted	9b	0.20	(0.29)	1.03	(0.37)
Weighted average shares outstanding (000's)					
Basic and diluted	9b	456,865	401,100	438,145	399,630
Total shares issued and outstanding (000's)	9a	476,301	403,345	476,301	403,345

The accompanying notes are an integral part of these consolidated financial statements.

First Quantum Minerals Ltd.

Consolidated Statements of Comprehensive Income (Loss)

(unaudited)

(expressed in millions of U.S. dollars)

	Three months ended September 30		Nine months ended September 30	
	2011	**2010**	**2011**	**2010**
Net earnings (loss) for the period	120.5	(104.9)	561.0	(72.5)
Other comprehensive income (loss)				
Unrealized gain (loss) on available-for-sale investments	(0.5)	297.8	(0.8)	241.4
Tax on unrealized gain (loss) on available-for-sale investments	0.1	(89.3)	0.2	(72.4)
Comprehensive income for the period	120.1	103.6	560.4	96.5
Total comprehensive income for the period attributable to:				
Non-controlling interests	29.6	12.3	108.1	76.4
Shareholders of the Company	90.5	91.3	452.3	20.1
	120.1	103.6	560.4	96.5

The accompanying notes are an integral part of these consolidated financial statements.

First Quantum Minerals Ltd.

Consolidated Statements of Cash Flows

(unaudited)

(expressed in millions of U.S. dollars)

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Cash flows from operating activities				
Net earnings (loss) for the period	120.5	(104.9)	561.0	(72.5)
Items not affecting cash				
Depletion and amortization	30.2	25.8	74.9	84.8
Assets impaired	-	234.2	-	540.8
Unrealized foreign exchange loss (gain)	(3.7)	3.3	(0.8)	(1.6)
Deferred income tax	51.6	13.8	31.8	6.9
Share-based compensation expense	2.5	1.8	6.4	4.7
Bond inducement costs	48.4	-	48.4	-
Finance costs	1.9	5.8	8.5	19.8
Other	0.1	3.5	5.7	13.6
	251.5	183.3	735.9	596.5
Change in non-cash operating working capital				
(Increase) decrease in trade, other receivables and derivatives	1.6	(61.3)	67.2	(10.6)
Increase in inventories	(19.7)	(40.6)	(144.8)	(112.3)
Increase (decrease) in trade and other payables	34.3	5.8	(96.0)	30.8
Increase (decrease) in current taxes payable	(149.1)	(64.2)	(124.0)	22.5
Long term incentive plan contributions	(20.8)	(15.1)	(20.8)	(15.1)
	97.8	7.9	417.5	511.8
Cash flows from financing activities				
Proceeds from debt	-	66.2	-	91.3
Repayments of debt	(17.1)	(40.3)	(99.4)	(80.7)
Proceeds on issuance of common shares	15.9	0.6	16.1	3.7
Cash paid on bond inducement	(48.4)	-	(48.4)	-
Restricted cash	20.2	40.3	40.3	40.3
Dividends paid	(25.8)	(15.2)	(79.3)	(55.7)
Dividends paid to non-controlling interests	(3.3)	(1.9)	(10.8)	(20.0)
Finance lease payments	(0.9)	-	(2.8)	-
Interest paid	(2.3)	(19.1)	(19.2)	(40.8)
	(61.7)	30.6	(203.5)	(61.9)
Cash flows from investing activities				
Purchase of property, plant and equipment	(321.4)	(93.3)	(754.8)	(231.8)
Deposits on property, plant and equipment	(59.5)	-	(59.5)	-
Acquisitions, net of cash acquired	-	(1.8)	-	(504.7)
Proceeds from disposal of property, plant and equipment and investments	-	0.1	9.9	0.2
	(380.9)	(95.0)	(804.4)	(736.3)
Decrease in cash and cash equivalents	(344.8)	(56.5)	(590.4)	(286.4)
Cash and cash equivalents - beginning of period	1,099.3	689.3	1,344.9	919.2
Cash and cash equivalents - end of period	754.5	632.8	754.5	632.8

The accompanying notes are an integral part of these consolidated financial statements.

First Quantum Minerals Ltd.

Consolidated Balance Sheets

(unaudited)

(expressed in millions of U.S. dollars)

	Note	September 30, 2011	December 31, 2010
Assets			
Current assets			
Cash and cash equivalents		754.5	1,344.9
Restricted cash		-	40.3
Trade and other receivables		155.5	377.0
Inventories	4	541.0	390.9
Current portion of other assets	6	143.1	26.7
		1,594.1	2,179.8
Investments		16.8	18.0
Property, plant and equipment	5	3,424.6	2,730.9
Deposits on property, plant and equipment		59.5	-
Other assets	6	29.5	29.2
Total assets		5,124.5	4,957.9
Liabilities			
Current liabilities			
Trade and other payables		264.6	362.2
Current taxes payable		290.0	414.0
Current portion of debt	7	41.9	140.8
Current portion of provisions and other liabilities		11.7	48.4
		608.2	965.4
Debt	7	20.6	20.2
Convertible bonds		0.1	452.1
Provisions and other liabilities		182.7	168.3
Deferred income tax liabilities		223.6	194.5
Total liabilities		1,035.2	1,800.5
Equity			
Share capital	9	1,948.1	1,486.5
Retained earnings		1,665.7	1,292.1
Accumulated other comprehensive income		0.4	1.0
Total equity attributable to shareholders of the Company		3,614.2	2,779.6
Non-controlling interests		475.1	377.8
Total equity		4,089.3	3,157.4
Total liabilities and equity		5,124.5	4,957.9
Commitments	16		

The accompanying notes are an integral part of these consolidated financial statements.

First Quantum Minerals Ltd.

Consolidated Statements of Changes in Shareholders' Equity

(unaudited)

(expressed in millions of U.S. dollars)

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Share capital				
Common shares				
Balance – beginning of period	1,479.5	871.6	1,479.3	727.4
Shares issued and share options exercised	15.9	0.9	16.1	5.8
Acquisitions	-	2.3	-	141.6
Conversion of convertible bonds	508.3	-	508.3	-
Balance – end of period	2,003.7	874.8	2,003.7	874.8
Equity portion of convertible bonds				
Balance – beginning of period	48.3	48.3	48.3	48.3
Conversion of convertible bonds	(48.3)	-	(48.3)	-
Balance – end of period	-	48.3	-	48.3
Treasury shares				
Balance – beginning of period	(56.8)	(46.4)	(57.1)	(47.2)
Restricted and performance stock units vested	9.0	3.7	9.3	4.5
Shares purchased	(20.8)	(15.1)	(20.8)	(15.1)
Balance – end of period	(68.6)	(57.8)	(68.6)	(57.8)
Contributed surplus				
Balance – beginning of period	19.5	16.8	15.9	16.5
Share-based compensation expense for the period	2.5	1.8	6.4	4.7
Transfers upon exercise of share options	-	(0.3)	-	(2.1)
Restricted and performance stock units vested	(9.0)	(3.7)	(9.3)	(4.5)
Balance – end of period	13.0	14.6	13.0	14.6
Total share capital	1,948.1	879.9	1,948.1	879.9
Retained earnings				
Balance – beginning of period	1,600.6	951.9	1,292.1	1,024.5
Earnings (loss) for the period attributable to shareholders of the Company	90.9	(117.2)	452.9	(148.9)
Acquisition of Mauritanian Copper Mines SARL	-	-	-	(0.4)
Dividends	(25.8)	(15.2)	(79.3)	(55.7)
Balance – end of period	1,665.7	819.5	1,665.7	819.5
Accumulated other comprehensive income				
Balance – beginning of period	0.8	257.7	1.0	297.2
Other comprehensive income (loss) for the period	(0.4)	208.5	(0.6)	169.0
Balance – end of period	0.4	466.2	0.4	466.2
Non-controlling interests				
Balance – beginning of period	448.8	374.8	377.8	391.4
Earnings attributable to non-controlling interests	29.6	12.3	108.1	76.4
Dividends	(3.3)	(1.9)	(10.8)	(20.0)
Acquisition of Mauritanian Copper Mines SARL	-	-	-	(62.6)
Balance – end of period	475.1	385.2	475.1	385.2

The accompanying notes are an integral part of these consolidated financial statements.

1 Nature of operations

First Quantum Minerals Ltd. ("FQM" or the "Company") is engaged in the production of copper, gold and acid and related activities including exploration, development and processing. Currently operating mines are located in Zambia and Mauritania. The Company is also developing the Ravensthorpe nickel project in Australia, the Kevitsa nickel-copper-platinum project in Finland and the Sentinel copper project in Zambia, and exploring the Haquira copper deposit in Peru. Operations in the République démocratique du Congo ("RDC") are currently suspended and subject to international arbitration.

The Company has its primary listing on the Toronto Stock Exchange and a secondary listing on the London Stock Exchange. The Company's registered office is the 8th Floor – 543 Granville Street, Vancouver, BC, Canada, V6C 1X8.

2 Basis of presentation and adoption of International Financial Reporting Standards ("IFRS")

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate IFRS, and requires publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has reported on this basis in these condensed interim consolidated financial statements. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 and IFRS 1. Subject to certain transition elections disclosed in note 3, the Company has consistently applied the same accounting policies in its opening IFRS statements of financial position at January 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 3 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended December 31, 2010. Comparative figures for 2010 in these financial statements have been restated to give effect to these changes.

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and current as of November 1, 2011, the date the Audit Committee approved the statements on behalf of the Board of Directors. Any subsequent changes to IFRS, that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

The condensed interim consolidated financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended December 31, 2010. The Company's IFRS accounting policies were disclosed in Note 3 of the condensed interim consolidated financial statements for the period ended March 31, 2011.

3 First time adoption of IFRS

The effect of the Company's transition to IFRS, described in note 2, is summarized in this note as follows:

a) Transition elections

The Company has applied the following transition exceptions and exemptions to full retrospective application of IFRS:

i) **Business combinations** – IFRS 1 provides the option to apply IFRS 3R, *Business Combinations*, retrospectively or prospectively from January 1, 2010 ("Transition Date"). The retrospective basis would require the restatement of prior acquisitions that meet the definition of a business combination under IFRS 3R. The Company elected to adopt IFRS 3R effective January 1, 2010.

ii) **Share-based payments** – IFRS 1 permits the application of IFRS 2, *Share-based Payments*, to equity instruments granted on or before November 7, 2002, that had not vested by the Transition Date. The Company elected to apply IFRS 2 to equity instruments granted after November 7, 2002 that had not vested by the Transition Date.

iii) **Deemed cost of property, plant and equipment** – IFRS 1 provides the option to measure individual items of property, plant and equipment at the Transition Date at fair value and use that fair value as its deemed cost. The Company has elected to use the fair value of the Kolwezi project at the Transition Date as its deemed cost.

iv) **Borrowing costs** – The Company elected to capitalize borrowing costs related to all qualifying assets commencing from the Transition Date.

v) **Decommissioning liabilities included in the cost of property, plant and equipment** – IFRS 1 provides the option to measure the restoration provision at the Transition Date in accordance with the requirements of IAS 37. Accordingly the Company re-measured the provisions as at Transition Date under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, and estimated the amount to be included in the cost of the related asset by discounting the liability to the date which the liability first arose. The Company did this using best estimates of the historical risk-free discount rates, and recalculated the accumulated amortization and depletion under IFRS up to the transition date.

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

b) A reconciliation of assets, liabilities, equity, comprehensive income and cash flows of the Company from those reported under Canadian GAAP to IFRS at January 1, 2010, December 31, 2010 and March 31, 2010 were disclosed in Note 4 of the condensed interim consolidated financial statements for the period ended March 31, 2011. Reconciliation of assets, liabilities, equity, comprehensive income and cash flows of the Company at September 30, 2010 from those reported under Canadian GAAP to IFRS are presented below:

Assets

		September 30, 2010
Total assets under Canadian GAAP		4,318.8
Adjustments for differing accounting treatments		
Restoration provision	ii	19.7
Borrowing costs	iii	30.1
Deferred income tax		
Mineral property acquisitions	iv(a)	(183.2)
Intercompany inventory sales	iv(e)	2.9
Total assets under IFRS		4,188.3

Liabilities

		September 30, 2010
Total liabilities under Canadian GAAP		1,779.0
Adjustments for differing accounting treatments		
Restoration provision	ii	20.4
Deferred income tax		
Convertible bond issuance	iv(c)	12.6
Mineral property acquisitions	iv(a)	(174.4)
Total liabilities under IFRS		1,637.6

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

Equity

		September 30, 2010
Total equity under Canadian GAAP		2,539.8
Adjustments for differing accounting treatments		
Share capital		
Deferred income tax		
Share issuance costs	iv(b)	3.2
Convertible bond issuance	iv(c)	(8.6)
Retained earnings		
Kolwezi project fair value adjustment	i	-
Restoration provision	ii	(0.7)
Borrowing costs	iii	30.1
Deferred income tax		
Mineral property acquisitions	iv(a)	(8.8)
Share issuance costs	iv(b)	(3.2)
Convertible bond issuance	iv(c)	(4.0)
Intercompany inventory sales	iv(e)	2.9
Total equity under IFRS		2,550.7

Comprehensive income (loss)

		Three months ended	**Nine months ended**
		September 30, 2010	**September 30, 2010**
Total comprehensive income (loss) under Canadian GAAP		84.1	(333.3)
Increase (decrease) in net income for:			
Kolwezi project fair value adjustment	i	-	399.8
Restoration provision	ii	3.4	0.5
Borrowing costs	iii	11.0	30.1
Deferred income tax			
Mineral property acquisitions	iv(a)	6.5	(3.2)
Convertible bond issuance	iv(c)	-	(0.3)
Intercompany inventory sales	iv(e)	(1.4)	2.9
Total comprehensive income under IFRS		103.6	96.5

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

In addition to the measurement differences impacting comprehensive income, there are also differences in the presentation of items included in comprehensive income. In addition to the reclassifications included in the notes below under Canadian GAAP derivative instruments were included in revenues and other income and now have been classified to cost of sales under IFRS.

Presentation differences in comprehensive income (loss)

	Three months ended	Nine months ended
	September 30, 2010	September 30, 2010
Increase (decrease) in sales revenue	(8.2)	(8.6)
(Increase) decrease in cost of sales	(14.2)	(5.4)
Decrease in other income	22.4	14.0
Total	-	-

Cash flows

The adoption of IFRS has had no impact on the net cash flows of the Company. The changes made to the statements of consolidated earnings and consolidated balance sheets have resulted in reclassification of various amounts on the statements of cash flows, however as there have been no changes to the net cash flows no reconciliations have been prepared.

Notes to the IFRS reconciliations above:

i) IAS 16 Property, plant and equipment

Impairment

In accordance with Canadian GAAP, impairment testing is a two step process. The first step, using undiscounted cash flows was undertaken to determine if impairment exists. If impairment was identified, the second step was undertaken to determine the amount of the impairment to be recorded. IAS 36 *Impairment of Assets* uses a one step approach for both identifying and measuring impairments, which is based on comparing the carrying value to the recoverable amount. The recoverable amount is the higher of fair value less selling costs and value in use, which is based on discounted cash flows. The use of an undiscounted cash flow model under Canadian GAAP did not result in any impairments at the Transition Date. The use of a discounted cash flow model to determine the recoverable amount indicated a material impairment to the Company's carrying value of the Kolwezi project under IFRS.

In accordance with IFRS 1, the Company elected to measure the Kolwezi project at January 1, 2010 at fair value and use that fair value as its deemed cost. The fair value of the Kolwezi project at January 1, 2010 was $280.0 million which resulted in a $399.8 million write down of property, plant and equipment and a corresponding adjustment to opening retained earnings.

By September 2010 under both Canadian GAAP and IFRS a complete impairment of the Kolwezi project had been recorded.

ii) IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Restoration provisions

Consistent with IFRS, restoration provisions have been previously measured based on the estimated cost of restoration, discounted to its net present value upon initial recognition. However, adjustments to the current discount rate were not reflected in the provisions or the related assets under Canadian GAAP unless there was an upward revision in the future cost estimates. The Company elected to apply the exemption from full retrospective application as allowed under IFRS 1. As such, the Company has remeasured the restoration liability as at the Transition Date under IAS 37, estimated the amount to be included in the related asset by discounting the liability to the date in which the liability arose, and recalculated the accumulated amortization under IFRS. At September 30, 2010 the increase in restoration provision was $20.4 million, the increase in mineral properties was $19.7 million and the adjustment to retained earnings was $0.7 million.

Under Canadian GAAP, the unwinding of the discount was included in cost of sales and has now been reclassified to finance cost as required under IFRS. The increase to finance costs was $0.6 million for the nine months ended September 30, 2010.

iii) IAS 23 Borrowing costs

Under IFRS, there are no policy choices available for the capitalization of borrowing costs. IFRS requires borrowing costs to be capitalized on qualifying assets which take a substantial period of time to prepare for their intended use. A weighted average capitalization rate based on the Company's outstanding debt was used to calculate the amount of borrowing costs to capitalize on the qualifying assets at January 1, 2010 and acquired during 2010. The increase in property, plant and equipment was $30.1 million at September 30, 2010 with a corresponding decrease in interest expense.

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

iv) IAS 12 Deferred taxes

a. Mineral property acquisitions

Under Canadian GAAP the Company recognized a deferred income tax liability on temporary differences arising on the initial recognition of mineral properties acquired other than in business combinations. IAS 21, *Income Taxes* does not permit the recognition of deferred taxes on such transactions. At September 30, 2010 the impact of the derecognition was a reduction of deferred income taxes of $174.4 million, a reduction of property, plant and equipment of $183.2 million and foreign exchange loss of $3.2 million as a portion of the deferred tax liability was denominated in a foreign currency and accordingly had been revalued using the foreign exchange rate at the balance sheet dates.

b. Share issuance costs

IFRS requires current and deferred taxes be recognized in equity when they relate to transactions or events recognized in equity in either the same or a different period. The deferred income tax related to the share issuance costs under Canadian GAAP had not been net against share capital. At September 30, 2010 the impact of recognizing the deferred income taxes in share capital is an increase of $3.2 million in share capital and a $3.2 million reduction to retained earnings.

c. Convertible bond issue

Under IFRS the deferred tax consequences of a financial instrument containing both a liability and equity component is recognized both in profit or loss and in equity in accordance with the component parts under IFRS. The deferred income tax related to the liability component of the convertible bond was not recorded under Canadian GAAP. At September 30, 2010 the impact of recognizing the deferred income taxes in equity is a decrease of deferred income taxes of $12.6 million, a decrease in share capital of $8.6 million, an adjustment to retained earnings of $4.0 million and an increase in deferred income tax expense of $0.3 million.

d. Non monetary assets and liabilities

Under IAS 12, where the non-monetary assets and liabilities of an entity are measured in its functional currency but the taxable profit or tax loss and the tax base of its non-monetary assets and liabilities is determined in a different currency, deferred income tax is recognized. The review of non-monetary asset balances translated using the relevant closing exchange rates at September 30, 2010 did not result in an adjustment to our balance sheets or statements of comprehensive income under IFRS, but may have a material impact on our tax expense in future periods.

e. Tax on intercompany inventory sales

Under IAS 12, unrealized profits resulting from intercompany transactions are eliminated from the carrying amount of assets, such as inventory. The tax effect of the transaction is calculated with reference to the local tax rate of the company that holds the inventory at the period-end. Canadian GAAP prohibits the recognition of a deferred tax asset for the difference between the tax basis of the assets in the buyer's tax jurisdiction and the cost as reported in the historical consolidated financial statements and requires the deferral of the seller's tax expense incurred upon the intercompany sale. At September 30, 2010 the impact of recognizing the deferred income tax assets on the intercompany sales is an increase of $2.9 million of deferred tax asset and a decrease of deferred tax expense of $2.9 million.

4 Inventories

	September 30, 2011	December 31, 2010
Ore in stockpiles	88.7	75.3
Work-in-progress	5.0	2.1
Finished product	194.7	137.3
Total product inventory	288.4	214.7
Less: Non-current portion of ore in stockpiles (a)	(15.9)	(12.4)
	272.5	202.3
Consumable stores	268.5	188.6
	541.0	390.9

a) The non-current portion represents ore in stockpiles that the Company does not anticipate processing in the next 12 months.

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

5 Property, plant and equipment

	Plant and equipment	Capital work-in-progress	Mineral properties and mine development costs		Total
			Depreciable	Non-depreciable	
Cost					
As at January 1, 2010	1,320.4	373.7	84.0	271.4	2,049.5
Additions	109.5	310.7	5.4	-	425.6
Acquisitions	290.3	-	-	981.2	1,271.5
Disposals	(2.3)	-	-	-	(2.3)
Transfers between categories	103.2	(103.2)	-	-	-
Restoration provision	14.6	-	0.1	68.2	82.9
Impairment	(297.6)	(244.1)	(40.8)	(63.4)	(645.9)
Capitalized interest	10.2	-	-	32.3	42.5
As at December 31, 2010	1,548.3	337.1	48.7	1,289.7	3,223.8
Additions	-	749.6	-	-	749.6
Disposals	(15.5)	-	-	-	(15.5)
Transfers between categories	100.5	(100.5)	-	-	-
Restoration provision	-	-	-	14.6	14.6
Capitalized interest	5.5	-	-	19.7	25.2
As at September 30, 2011	1,638.8	986.2	48.7	1,324.0	3,997.7
Accumulated depreciation					
As at January 1, 2010	(428.1)	-	(41.0)	-	(469.1)
Depreciation charge	(111.7)	-	(3.9)	-	(115.6)
Disposals	0.8	-	-	-	0.8
Impairment	77.2	-	8.8	-	86.0
Other	5.0	-	-	-	5.0
As at December 31, 2010	(456.8)	-	(36.1)	-	(492.9)
Depreciation charge	(72.8)	-	(2.1)	-	(74.9)
Disposals	2.9	-	-	-	2.9
Other	(8.2)	-	-	-	(8.2)
As at September 30, 2011	(534.9)	-	(38.2)	-	(573.1)
Net book value					
As at December 31, 2010	1,091.5	337.1	12.6	1,289.7	2,730.9
As at September 30, 2011	1,103.9	986.2	10.5	1,324.0	3,424.6

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

6 Other assets

	September 30, 2011	December 31, 2010
Ore in stockpiles (note 4)	15.9	12.4
Future income tax asset	1.8	4.3
Derivative instruments	114.6	3.0
Prepaid expenses	28.5	23.7
Other	11.8	12.5
Total other assets	172.6	55.9
Less: Current portion of other assets	(143.1)	(26.7)
	29.5	29.2
Current portion consists of:		
Derivative instruments	114.6	3.0
Prepaid expenses and other	28.5	23.7
	143.1	26.7

7 Debt

	September 30, 2011	December 31, 2010
Drawn debt		
Corporate revolving credit and term loan facility (a)	-	80.2
Kansanshi subordinated debt facility (b)	25.3	24.9
Short-term borrowings (c)	37.0	55.7
Other	0.2	0.2
Total debt	62.5	161.0
Less: Current portion of debt facilities and short-term debt	(41.9)	(140.8)
	20.6	20.2
Undrawn debt		
Corporate revolving credit and term loan facility (a)	-	50.0
Kevitsa facility (d)	250.0	-
Short-term borrowings (c)	73.0	54.3

a) Corporate revolving credit and term loan facility

The Company entered into a $400.0 million corporate revolving credit and term loan facility in October 2006 which is now fully repaid. The facility had three tranches, up to $225.0 million, $125.0 million, and $100.0 million. Tranche C was cancelled effective April 11, 2011. The Company paid the final $20.2 million owing under this facility on September 30, 2011. Interest on tranches A and B was calculated at LIBOR plus 2.5%.

Cash was restricted to meet required instalments and nil was recorded as restricted cash at September 30, 2011 (December 31, 2010 - $40.3 million).

b) Kansanshi subordinated debt facility

Kansanshi entered into a 34.0 million Euro subordinated debt facility in December 2003 to finance the Kansanshi project. This facility is repayable in nine equal annual payments commencing October 31, 2007. Interest is calculated annually, within a range of 3.2% to 13.2%, based on the average LME cash copper price for the preceding calendar year. The interest rate is at its lower limit at a realized copper price of less than $1,300 per tonne and increases incrementally until the copper price reaches its $2,200 per tonne upper limit.

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

The Kansanshi subordinated debt facility has a principal amount outstanding of 18.9 million Euros (December 31, 2010 – 18.9 million Euros). The carrying amount shown above of $25.3 million is net of issue and transaction costs of 0.3 million Euros. The interest rate on the facility is indexed to the price of copper resulting in the existence of an embedded derivative. This embedded derivative is recorded at fair value at each period with changes in fair value recorded as a component of net earnings disclosed within finance costs.

c) Short-term borrowings

In 2010, the Company's metal marketing division entered into two facilities totalling $110.0 million. The facilities are used to finance purchases and the term hedging of copper and gold undertaken by the metal marketing division. Interest on the facilities is calculated at the bank's benchmark rate plus 1.75%. The loans are collateralized by physical inventories.

d) Kevitsa facility

In March 2011 the Company entered into a $250.0 million project loan collateralized by the assets and offtake agreements of the Kevitsa project. The facility is available in two tranches. Tranche A of $175.0 million is required to be repaid in equal annual instalments over four years starting March 31, 2013; and tranche B of $75.0 million is required to be repaid on September 30, 2017. The funds are to be used to finance the development of the Kevitsa mine. Interest on the project loan is to be calculated at LIBOR plus 3.5%.

8 Restoration provisions

The Company has restoration and remediation obligations associated with its operating mines and processing facilities. During the nine months ended September 30, 2011 the provision increased by $17.9 million to $149.1 million (included in provisions and other liabilities on the balance sheet) primarily as a result of the development of Kevitsa and Ravensthorpe.

The restoration provisions have been recorded, using a discount rate between 2.0% and 3.9% and an inflation factor between 2.8% and 4.0%. The liability for retirement and remediation on an undiscounted basis before inflation is estimated to be approximately $193.9 million. Payments are expected to occur over a period of approximately 32 years.

9 Share capital

a) Common shares

Authorized
Unlimited common shares without par value

Issued

	Number of Shares (000's)
Balance as at December 31, 2010	430,878
Share options exercised	17
Conversion of convertible bonds (ii)	44,778
Shares issued (iii)	628
Balance as at September 30, 2011	476,301

i) Common share split

On July 29, 2011, shareholders of the Company approved a five-for-one share split of the Company's issued and outstanding common shares. The record date of the share split was August 11, 2011. The Company's common shares began trading on a split basis from August 9, 2011. All share and per share information included in the consolidated financial statements and accompanying notes has been adjusted to reflect this share split for all periods presented.

ii) Conversion of convertible bonds

On July 27, 2011 the Company announced a voluntary incentive payment offer in relation to its $500 million 6% convertible bonds. The offer included a cash payment of $8,088.91 per $100,000 in principal amount of the Bonds (the "Incentive Payment") and a cash payment of $1,410.68 per $100,000 in principal amount of the Bonds (the "Conversion Price Adjustment Payment") to convert any or all of the convertible bonds due 2014. The incentive offer period expired on July 28, 2011 with 99.98% of the bondholders accepting the conversion offer.

On conversion, the Company issued 8,955,547 common shares (44,777,735 common shares after the share split) and transferred the $460.0 million convertible debt liability and the $48.3 million equity component of the convertible debt to common shares. The incentive payment and other transactions costs of $48.4 million has been recognized in Other income (expense) on the Consolidated Statement of Earnings (Loss).

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

iii) Lusaka stock exchange listing

On July 20, 2011 the Company issued 125,679 common shares (628,395 common shares after the share split) in connection with a listing of depositary receipts by the Company on the Lusaka Stock Exchange in Zambia (the "LuSE"). These shares, together with 7,700 common shares in the capital of the Company purchased on the open market, will underlie the depositary receipts. The depositary receipts are held by local Zambian investors and employees and trade under the LuSE Symbol "FQM".

b) Earnings (loss) per share

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Basic and diluted earnings (loss) attributable to shareholders of the Company	90.9	(117.2)	452.9	(148.9)
Basic weighted average number of shares outstanding (000's of shares)	456,865	401,100	438,145	399,630
Effect of dilutive securities:				
Convertible bonds (i)	-	-	-	-
Diluted weighted average shares outstanding	456,865	401,100	438,145	399,630
Earnings (loss) per common share – basic and diluted	0.20	(0.29)	1.03	(0.37)

i) The effect of the convertible bonds and share options were anti-dilutive for the three and nine month periods ending September 30, 2010 and therefore excluded from the computation of diluted earnings per share.

c) Dividends

On March 15, 2011, the Company declared a dividend payment of $0.1206 CAD per share or $53.5 million in respect of the financial year ended December 31, 2010 (March 16, 2010 - $0.1034 CAD per share or $40.5 million).

On August 8, 2011, the Company declared an interim dividend of $0.0533 CAD per share or $25.8 million in respect of the financial year ended December 31, 2011 (August 10, 2010 - $0.0394 CAD per share or $15.2 million).

10 Sales revenues by nature

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Copper	585.2	543.8	1,843.7	1,547.2
Gold	65.8	50.6	172.5	138.2
	651.0	594.4	2,016.2	1,685.4

11 Cost of sales

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Direct operating costs	(306.7)	(267.0)	(821.1)	(760.9)
Derivative (loss) gain	8.5	(14.4)	5.1	(5.9)
Depletion and amortization	(30.2)	(25.8)	(74.9)	(84.8)
	(328.4)	(307.2)	(890.9)	(851.6)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

12 Other income

	Three months ended September 30		Nine months ended September 30	
	2011	**2010**	**2011**	**2010**
Foreign exchange gain	18.5	4.0	12.3	5.3
Sundry (expense) income	(0.4)	0.5	(1.2)	1.1
	18.1	4.5	11.1	6.4

13 Finance costs

	Three months ended September 30		Nine months ended September 30	
	2011	**2010**	**2011**	**2010**
Interest expense on financial liabilities measured at amortized cost	(1.8)	(3.1)	(4.2)	(6.4)
Interest expense on convertible bonds	-	-	-	(2.5)
Interest expense other	-	-	(0.9)	(3.0)
Accretion on restoration provision	(0.1)	(0.2)	(3.4)	(0.8)
Other finance costs	-	(2.5)	-	(7.1)
	(1.9)	(5.8)	(8.5)	(19.8)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

14 Segmented information

The Company's reportable operating segments are individual mine development projects or operations, being Kansanshi, Guelb Moghrein, Frontier, Bwana/Lonshi, Kevitsa, Ravensthorpe, Sentinel and Corporate. Each mine and development project is managed and reports information separately to the CEO, chief operating decision maker.

The corporate segment is responsible for the evaluation and acquisition of new mineral properties, regulatory reporting, treasury and finance and corporate administration. Included in the corporate segment is the Company's metal marketing division which purchases and sells third party material. Operations at the Frontier mine were suspended during 2010 as detailed in the Company's 2010 Annual Report. The segment results below include sales of material which at the date of suspension of operations was stockpiled at other sites.

The Company's operations are subject to seasonal aspects, in particular the rain season in Zambia. The rain season in Zambia generally starts in November and continues through April, with the heaviest rainfall normally experienced in the months of January, February and March. As a result of the rain season, mine pit access and the ability to mine ore is lower in the first quarter of the year than other quarters and the cost of mining is higher.

For the three month period ended September 30, 2011, segmented information is presented as follows:

	Kansanshi	Guelb Moghrein	Frontier	Bwana/ Lonshi	Projects under development	Corporate	Total
Segmented revenues	521.6	102.4	0.3	23.4	-	35.2	682.9
Less inter-segment revenues	-	-	-	(23.4)	-	(8.5)	(31.9)
Sales revenues	521.6	102.4	0.3	-	-	26.7	651.0
Cost of sales	(254.9)	(50.0)	(3.7)	3.0	-	(22.8)	(328.4)
Segmented gross profit (loss)	266.7	52.4	(3.4)	3.0	-	3.9	322.6
Net finance costs	(0.3)	-	-	-	-	(1.1)	(1.4)
Other	8.7	(2.0)	-	(0.2)	1.1	(81.2)	(73.6)
Segmented profit (loss) before undernoted items	275.1	50.4	(3.4)	2.8	1.1	(78.4)	247.6
Income taxes	(117.1)	-	-	-	-	(10.0)	(127.1)
Non-controlling interests	(29.7)	-	0.1	-	-	-	(29.6)
Segmented profit (loss)	128.3	50.4	(3.3)	2.8	1.1	(88.4)	90.9
Property, plant and equipment	785.7	203.7	-	20.1	1,810.4	604.7	3,424.6
Total assets	1,470.0	337.8	7.3	37.2	1,931.8	1,340.4	5,124.5
Total liabilities	638.7	24.1	8.4	62.6	230.8	70.6	1,035.2
Capital expenditures	104.8	8.3	-	0.4	206.6	1.3	321.4

Projects under development include Kevitsa, Ravensthorpe and Sentinel. The exploration and development costs related to these properties are capitalized. The segmented information for these projects is presented as follows:

	Kevitsa	Ravensthorpe	Sentinel	Total
Property, plant and equipment	631.7	875.8	302.9	1,810.4
Total assets	654.2	909.8	367.8	1,931.8
Total liabilities	49.1	169.3	12.4	230.8
Capital expenditures	97.7	101.2	7.7	206.6

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

For the three month period ended September 30, 2010, segmented information is presented as follows:

	Kansanshi	Guelb Moghrein	Frontier	Bwana/ Lonshi	Projects under development	Corporate	Total
Segmented revenues	394.6	77.4	74.4	24.5	-	37.6	608.5
Less inter-segment revenues	-	-	-	(7.1)	-	(7.0)	(14.1)
Sales revenues	394.6	77.4	74.4	17.4	-	30.6	594.4
Cost of sales	(152.8)	(47.7)	(51.1)	(10.3)	-	(45.3)	(307.2)
Segmented gross profit (loss)	241.8	29.7	23.3	7.1	-	(14.7)	287.2
Net finance costs	(0.8)	-	(0.2)	0.3	-	(4.1)	(4.8)
Other	(2.9)	(1.5)	(312.4)	(6.7)	7.2	(8.7)	(325.0)
Segmented profit (loss) before undernoted items	238.1	28.2	(289.3)	0.7	7.2	(27.5)	(42.6)
Income taxes	(107.0)	-	(9.6)	-	-	54.3	(62.3)
Non-controlling interests	(24.8)	-	12.5	-	-	-	(12.3)
Segmented profit (loss)	106.3	28.2	(286.4)	0.7	7.2	26.8	(117.2)
Property, plant and equipment	632.6	194.9	2.7	25.1	727.3	275.8	1,858.4
Total assets	1,355.5	285.3	29.9	52.1	742.6	1,722.9	4,188.3
Total liabilities	783.3	24.9	32.6	40.4	57.0	699.4	1,637.6
Capital expenditures	56.8	7.8	5.4	-	40.7	0.5	111.2

Projects under development at 30 September 2010 included Kolwezi, Kevitsa, and Ravensthorpe. The exploration and development costs related to these properties are capitalized. The segmented information for these projects is presented as follows:

	Kolwezi	Kevitsa	Ravensthorpe	Total
Property, plant and equipment	-	308.3	419.0	727.3
Total assets	-	319.2	423.4	742.6
Total liabilities	8.2	6.4	42.4	57.0
Capital expenditures	1.4	23.0	16.3	40.7

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

For the nine month period ended September 30, 2011, segmented information is presented as follows:

	Kansanshi	Guelb Moghrein	Frontier	Bwana/ Lonshi	Projects under development	Corporate	Total
Segmented revenues	1,642.6	249.0	13.5	53.1	-	133.2	2,091.4
Less inter-segment revenues	-	-	-	(52.4)	-	(22.8)	(75.2)
Sales revenues	1,642.6	249.0	13.5	0.7	-	110.4	2,016.2
Cost of sales	(641.7)	(124.7)	(14.4)	(0.2)	-	(109.9)	(890.9)
Segmented gross profit (loss)	1,000.9	124.3	(0.9)	0.5	-	0.5	1,125.3
Net finance costs	(4.8)	-	-	-	-	0.3	(4.5)
Other	5.0	(7.0)	-	(0.3)	(1.8)	(144.5)	(148.6)
Segmented profit (loss) before undernoted items	1,001.1	117.3	(0.9)	0.2	(1.8)	(143.7)	972.2
Income taxes	(426.4)	-	-	-	11.8	3.4	(411.2)
Non-controlling interests	(108.5)	-	0.4	-	-	-	(108.1)
Segmented profit (loss)	466.2	117.3	(0.5)	0.2	10.0	(140.3)	452.9
Property, plant and equipment	785.7	203.7	-	20.1	1,810.4	604.7	3,424.6
Total assets	1,470.0	337.8	7.3	37.2	1,931.8	1,340.4	5,124.5
Total liabilities	638.7	24.1	8.4	62.6	230.8	70.6	1,035.2
Capital expenditures	179.0	40.0	1.5	0.4	532.9	1.0	754.8

Projects under development include Kevitsa, Ravensthorpe and Sentinel. The exploration and development costs related to these properties are capitalized. The segmented information for these projects is presented as follows:

	Kevitsa	Ravensthorpe	Sentinel	Total
Property, plant and equipment	631.7	875.8	302.9	1,810.4
Total assets	654.2	909.8	367.8	1,931.8
Total liabilities	49.1	169.3	12.4	230.8
Capital expenditures	237.8	279.9	15.2	532.9

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

For the nine month period ended September 30, 2010, segmented information is presented as follows:

	Kansanshi	Guelb Moghrein	Frontier	Bwana/ Lonshi	Projects under development	Corporate	Total
Segmented revenues	1,157.6	179.3	218.8	73.1	-	100.0	1,728.8
Less inter-segment revenues	-	-	-	(25.1)	-	(18.3)	(43.4)
Sales revenues	1,157.6	179.3	218.8	48.0	-	81.7	1,685.4
Cost of sales	(483.8)	(101.7)	(132.5)	(46.0)	-	(87.6)	(851.6)
Segmented gross profit (loss)	673.8	77.6	86.3	2.0	-	(5.9)	833.8
Net finance costs	(2.0)	-	(2.0)	-	-	(10.8)	(14.8)
Other	(6.3)	(3.9)	(312.9)	(27.6)	(284.8)	(44.9)	(680.4)
Segmented profit (loss) before undernoted items	665.5	73.7	(228.6)	(25.6)	(284.8)	(61.6)	138.6
Income taxes	(235.2)	-	(27.8)	-	-	51.9	(211.1)
Non-controlling interests	(83.6)	(2.4)	9.6	-	-	-	(76.4)
Segmented profit (loss)	346.7	71.3	(246.8)	(25.6)	(284.8)	(9.7)	(148.9)
Property, plant and equipment	632.6	194.9	2.7	25.1	727.3	275.8	1,858.4
Total assets	1,355.5	285.3	29.9	52.1	742.6	1,722.9	4,188.3
Total liabilities	783.3	24.9	32.6	40.4	57.0	699.4	1,637.6
Capital expenditures	109.1	27.4	12.3	(0.4)	98.9	2.4	249.7

Projects under development at September 30, 2010 included Kolwezi, Kevitsa and Ravensthorpe. The exploration and development costs related to these properties are capitalized. The segmented information for these projects is presented as follows:

	Kolwezi	Kevitsa	Ravensthorpe	Total
Property, plant and equipment	-	308.3	419.0	727.3
Total assets	-	319.2	423.4	742.6
Total liabilities	8.2	6.4	42.4	57.0
Capital expenditures	10.6	52.2	36.1	98.9

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

15 Derivative financial instruments

As at September 30, 2011, the following derivative positions were outstanding:

	Maturity 2011	September 30, 2011		December 31, 2010	
		Asset	Liability	Asset	Liability
Interest rate					
Floating to fixed interest rate swap – principal	26.0	-	-	-	(0.4)
Average fixed interest rate	1.80%				
Foreign currency					
USD/EUR extendible collar					
– principal	€30.0m	-	(0.1)	-	-
Strike price	1.290-1.347				
– principal	€10.0m	-	-	-	-
Strike price	1.376-1.416				
Copper					
Futures sales contracts over quotation period (tonnes)	45,275	111.8	(6.9)	3.0	(42.3)
Average price ($/tonne)	$8,830				
Embedded derivative hedged by future sales contracts (tonnes)	47,343	-	-	-	-
Average price ($/tonne)	$7,132				
Net provisional copper exposure (tonnes)	2,068				
Gold					
Futures sales contracts over quotation period (ounces)	15,350	2.9	(0.2)	-	(0.9)
Average price ($/ounce)	$1,728				
Embedded derivative hedged by future sales contracts (ounces)	16,023	-	-	-	-
Average price ($/ounce)	$1,625				
Net provisional gold exposure (ounces)	673				
Other					
Embedded derivative		-	(2.8)	-	(3.7)
		114.7	(10.4)	3.0	(47.3)

16 Commitments

In conjunction with the development of Kevitsa, Ravensthorpe and Sentinel, upgrades at Kansanshi, Guelb Moghrein and other projects, the Company has committed to approximately $275.0 million in capital expenditures.